



## LMI made easier – pay monthly RESI to launch monthly LMI premiums

First home buyers who are struggling to save enough for a 20% deposit can now potentially get into a home sooner with the flexibility to pay Lenders Mortgage Insurance (LMI) with a monthly premium solution launched by Resi. Mortgage Corporation Pty Ltd.

Resi Mortgage Corporation Pty Ltd is offering home buyers an option to pay the cost of LMI by the month on their Resi Essential Options Home Loan. A key benefit to the home buyer is that Monthly Premium LMI doesn't impact the loan-to-value ratio (LVR), which means you may be able to borrow up to 95% of the market value of the property.

The [Helia First Home Buyer Report 2022](#), indicates that the length of time to save a 20% deposit for a medium home in Sydney is 17 years and in Melbourne is 10 years. As a result, the number of FHBS aiming for a 20% deposit has fallen with only 25% of FHBS, compared to 41% in 2019. The Monthly Premium LMI solution can make the difference of buying a home now, enabling home ownership sooner.

Another key advantage is that unlike traditional methods of paying the bank an upfront fee for LMI, once the LVR on the property drops below 75% the monthly premium payments will stop. LMI is generally required by all lenders if home buyers have less than a 20% deposit. It protects the lender (not the home buyer) if the home buyer fails to make the home loan repayments. With other lenders, the LMI fee must either be capitalised into the home loan and paid off with interest over the life of the loan (the option most commonly chosen); or paid upfront in a lump sum when the loan is taken out.

“We want to help more Australians achieve their dream of home ownership,” said Yellow Brick Road Executive Chairman Mark Bouris. It's no secret that the biggest challenge for most first home buyers is saving for a 20% deposit, not whether they can afford the home loan repayments.

“So, we partnered with Helia, our LMI provider, to offer our customers who are buying their first home the flexibility to pay for LMI monthly. Because the monthly LMI fee doesn't affect your LVR, a greater portion of your loan can be used to buy your home, which means it might make the difference between buying your home now instead of in another year or two”.

Helia, Chief Commercial Officer, LMI, Greg McAweeney said, “We are excited to partner with Resi to launch our Monthly Premium LMI offering to the market”.

“LMI plays a critical role in supporting home buyers to accelerate their financial security through home ownership”. We are proud to bring innovation, flexibility and the choice to pay monthly to people wanting to buy a home with our Monthly Premium LMI solution”.

McAweeney said another benefit of Monthly Premium LMI is that it may be a more flexible and cost-effective solution than the traditional upfront LMI if you pay down your loan sooner.

“Let’s say for example you receive a bonus or an inheritance that you use to pay down your mortgage and reach the 75% LVR quicker than you expected. Unlike if your LMI fee is capitalised into your loan, you’ll be able to stop paying the premiums, and potentially save money”.

Further information or to arrange an interview:

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The release of this announcement was authorised by the Board.

#### [About Helia](#)

Helia Group Limited (Helia) is the leading provider of Lenders Mortgage Insurance (LMI) in Australia. The Helia Group has been part of the Australian residential mortgage lending market for over 55 years (since the Housing Loans Insurance Corporation was founded by the Australian Government in 1965 to provide LMI in Australia).